

# **EXHIBIT I**



MEDIA | ENERGY | AIRLINES

# Universal Will Send 3 Films Straight to Peacock in Bid to Boost App

*Signaling that theatric releases have become more of a gamble.*

**By NICOLE SPERLING**

Donna Langley, the head of Universal's Motion Picture Entertainment Group, stepped on the stage at Caesars Palace in Las Vegas last week and reaffirmed her commitment to movie theaters.

"Theatrical will always be the cornerstone of our business," she told the crowd of theater owners gathered for the annual CinemaCon industry convention, adding, "Cheers to that."

It was not just lip service. With more than 25 films set for release in 2022, Universal has at least 10 more than any other major Hollywood studio. It will release a combination of blockbusters ("Jurassic World Dominion"), family fare ("Minions: The Rise of Gru") and original bets (Jordan Peele's "Nope" and "Beast," starring Idris Elba), operating on the premise that a movie's value begins with its debut in theaters.

Yet on Monday, as part of a presentation for advertisers, Kelly Campbell, the president of NBCUniversal's streaming service, Peacock, announced that three new movies produced by Universal Pictures will head straight to the streaming service when they debut in 2023.

They are a biopic about LeBron James based on his memoir, "Shooting Stars"; a remake of John Woo's 1989 crime drama "The Killer"; and "Praise This," a music-competition feature set in the world of youth choir.

The additional film content is crucial to the strategy at Peacock, which announced last week that it had ended the first quarter of the year with more than 13 million paid subscribers and 28 million monthly active accounts in the United States, a growth of four million users. It needs to find a way to compete with the bigger services, like Netflix, Disney+ and HBO Max, when streaming subscriber numbers seem to be plateauing.



The film "Marry Me," starring Owen Wilson and Jennifer Lopez, was released simultaneously in theaters and on Peacock in February.

 Donna Langley, the head of Universal's Motion Picture Entertainment Group, greenlit the movies sent to Peacock.

Ms. Langley greenlit all three pictures, and had to make the calls to tell the filmmakers about the change in distribution strategy.

"I think everybody sort of woke up and smelled the coffee during the pandemic and recognized that not all movies are created equal," Ms. Langley said in an interview, adding that the filmmakers were still interested in working with the studio even if it meant going straight to Peacock. "It's a big deal for Peacock to have these movies. They are events for them. And we got yeses, so I think it was a satisfying rationale."

The three movies also reflect the type of audience Peacock seems to be attracting so far: younger and more diverse than those that gravitate toward the other legacy businesses run by Comcast, Peacock's parent company.

"What you'll see with these films is that they are broadly appealing, but also track towards that young, diverse audience that represents the streaming audience of today, the generation of consumers who are choosing streaming as their primary source of entertainment," Ms. Campbell said in an interview.

Despite lagging behind some of its streaming competitors, Peacock has experienced success this year. February was a high point, when viewers could see the 2022 Winter Olympics, the Super Bowl, the simultaneous release of the Jennifer Lopez-starring film "Marry Me" in theaters and on the

service, and the debut of "Bel-Air," a dramatic reimagining of the 1990s hit television series "The Prince of Bel-Air," which starred Will Smith. (Season 2 is in development.)

"Retention on our service after airing all of this special content in such a concentrated period of time was well above our expectation," Brian Roberts, the chief executive of Comcast, said in an earnings call last week. "We have seen a 25 percent increase in hours of engagement year over year."

When the pandemic upended the theater business, Universal Pictures experimented with a variety of distribution methods for its movies. There was the purely theatrical like "Fast 9: The Fast Saga," which earned \$173 million after it was released last summer, when coronavirus cases were lower. And there was "Sing 2," which earned over \$160 million

domestically after being released in December, before going to premium video-on-demand just 17 days after its debut in theaters.

The company has also experimented with simultaneous release, debuting "Halloween Kills" and the sequel to "Boss Baby" in theaters and on Peacock during the height of the pandemic. The company will do so again in two weeks with the remake of the Stephen King horror film "Firestarter."

"There's no one size fits all," Ms. Langley said. "It really is about looking at the individual movies on the one hand and then also at our growth engine, Peacock, and doing what's best in any given moment, depending on what's going on in the marketplace. I'm hopeful that this stabilizes over time as the theatrical landscape stabilizes. But until then, we do have this optionality."

Like every other studio execu-

tive, Ms. Langley is involved in the complicated calculus of determining what movies fit where in a world where the theatrical box office is down 45 percent from what it was in 2019. It is "a box office that is in decline," Ms. Langley said, with theatergoing in 2023 expected to still be down at least 15 percent from its pre-pandemic level.

She described the three films that she chose to put straight on Peacock as "movies we love that a decade ago would have been no-brainers" to make and release in theaters.

But audiences have more choice now about when and where they watch films, and it can be more difficult to convince them that a film is worth seeing in a theater.

"We still want to make these movies, because we believe in the stories, we believe in the storytellers and we think that these are great pieces of entertainment," Ms. Langley said. "We have the ability to be able to avail ourselves of our streaming platform. And we think that they are events, actually, to be released into the home, very specifically for the Peacock audience."

Peacock is buying the films from Universal Pictures, a portion of the \$3 billion it intends to spend on content in 2022, ramping up to \$5 billion in the next couple of years.

Ms. Langley said that while 2023 would feature three straight-to-Peacock films, she hoped to release seven to 10 films that way in the coming years, films that would all be developed and produced by the same Universal creative team that is behind the "Jurassic Park" and "Fast and Furious" franchises.

"Peacock's future depends on having good content, and our future depends on having flexibility in our distribution models," Ms. Langley said. "So our agendas, ultimately, are aligned. So, yes, there's debate about any one particular title or something they might want that we can't deliver or vice versa, but that's the stuff of working inside a big corporation."

## Energy Dept. Moves to Spur E.V. Batteries Made in U.S.

**By LISA FRIEDMAN**

The Biden administration plans to begin a \$3.1 billion effort on Monday to spur the domestic production of advanced batteries, which are essential to its plan to speed the adoption of electric vehicles and renewable energy.

President Biden has prodded automakers to churn out electric vehicles and utilities to switch to solar, wind and other clean energy, saying the transitions are critical to eliminating the pollution that is dangerously heating the planet.

In the wake of surging energy prices caused largely by Russia's invasion of Ukraine, administration officials also have described the transition to clean energy as a way to insulate consumers from the fluctuation of global oil markets and achieve true energy independence.

Jennifer Granholm, the energy secretary, last week called renewable energy "the greatest peace plan this world will ever know."

Yet currently, lithium, cobalt and other minerals needed for electric car batteries and energy storage are processed primarily in Asia. China alone controls nearly 80 percent of the world's processing and refining of those critical minerals.

Senator Joe Manchin III, Democrat of West Virginia, a crucial vote for potential climate legislation in the evenly divided Senate, said last month that he had "grave concerns about moving toward an E.V.-only future" because China controls the minerals needed for car batteries.

"We cannot replace one unreliable foreign supply chain with another and think it's going to solve our problems," he said at an April 7 hearing of the Senate Energy and Natural Resources Committee.

Ms. Granholm plans to announce the funding plan on Monday during a visit to Detroit, a senior administration official said. The \$3.1 billion in grants, along with a separate \$60 million program for battery recycling, is an effort to "reduce our reliance on competing nations like China that have an advantage over the global supply chain," according to a Department of Energy statement.



A Chevrolet Bolt electric car at the New York International Auto Show. Many minerals needed for electric car batteries are processed mostly in Asia.

The funding is aimed at companies that can create new, retrofitted or expanded processing facilities as well as battery recycling programs, officials with the Department of Energy said. The grants will be funded through the \$1 trillion infrastructure law, which includes more than \$7 billion to improve the domestic battery supply chain.

In April, President Biden invoked the Defense Production Act to give the government more avenues to provide support for the mining, processing and recycling of critical materials, such as lithium, nickel, cobalt, graphite and manganese.

### \$3.1B

Biden administration funding to stimulate U.S. production of electric-car batteries.

**'Market penetration will be limited by supply chain constraints.'**

Chris Nevers of Rivian Automotive Inc., an electric-vehicle manufacturer.

The move comes in an election year when Republican leaders in Congress are blaming high gas prices on the Biden administration's pursuit of renewable power — a claim that most economists say is not true.

Achieving widespread electrification, however, will require major federal investment. A June report from the Energy Department said there was "a real threat that U.S. companies will not be able to

benefit from domestic and global market growth" for batteries and that "the U.S. risks long-term dependence on foreign sources of batteries and critical materials."

Independent experts and industry officials relayed similar concerns at a recent congressional hearing before the House Committee on Science, Space and Technology.

"Although the demand for E.V.s is robust, market penetration will be limited by supply chain constraints," Chris Nevers of Rivian Automotive Inc., an electric-vehicle manufacturer, told lawmakers.

Mr. Nevers said that the United States had the mineral resources and industrial capability to create a fully domestic electric vehicle battery supply chain, but that it would take a huge "all of the above" mobilization of the federal government to make it happen.

Venkat Srinivasan, director of the Argonne Collaborative Center for Energy Storage Science at Argonne National Laboratory, told the panel that the United States "can become a dominant force in energy storage technology" and has a "once-in-a-lifetime opportunity to seize the moment."

Between electric vehicles and grid storage, the market for lithium-ion batteries in the United States is expected to increase by a factor of 20 to 30 in the next decade, but a secure domestic supply chain is needed, Dr. Srinivasan said.

The Biden administration wants half of all new vehicles sold in the United States to be electric by 2030. The president has also issued procurement guidelines to transform the 600,000-vehicle federal fleet, so that all new cars and trucks purchased by the federal government by 2035 are zero-emission.

## Spirit Rejects JetBlue's Merge Offer, Saying It Would Likely Be Blocked

**By NIRAJ CHOKSHI**

Spirit Airlines on Monday rebuffed an acquisition offer from JetBlue Airways, saying regulators were unlikely to approve the proposal.

In a letter to JetBlue, Spirit executives said they had determined that JetBlue's acquisition offer, which was updated on Friday, would be unlikely to secure regulatory approval as long as that airline's recently announced partnership with American Airlines was in effect. The Justice Department and several states have sued to block that alliance, arguing that it is anticompetitive, and JetBlue has said it will not abandon the partnership.

In a statement on Monday, the chairman of Spirit's board, Mac Gardner, said the company stood by its plan to merge with Frontier Airlines, a deal that predates JetBlue's offer and that Spirit argued reflected the best interests of long-term shareholders.

"After a thorough review and extensive dialogue with JetBlue, the board determined that the JetBlue proposal involves an unacceptable level of closing risk that would be assumed by Spirit stockholders," Mr. Gardner said. "We believe that our pending merger with Frontier will start an exciting new chapter for Spirit and will deliver many benefits to Spirit shareholders, team members and guests."

Spirit and Frontier, both low-fare airlines, announced a plan to merge in February. Then, JetBlue stepped in with a bigger offer for Spirit, surprising many industry analysts and experts. Both deals would face scrutiny from Biden administration regulators, who have expressed more skepticism about consolidation than their predecessors.

Some analysts contend that Spirit and Frontier are better suited to merge because they operate under similar "ultra-low-cost" business models but have more extensive flights in different parts of the United States. A JetBlue-Spirit combination could be more difficult to pull off because the airlines' business models are quite different. But the deal could allow JetBlue to compete more effectively against the nation's four dominant airlines.

JetBlue's updated offer added a handful of concessions to address Spirit's concerns about regulatory approval, including an offer to divest some assets from both airlines. JetBlue also said it would commit to divesting Spirit assets

in New York and Boston, markets at the heart of JetBlue's partnership with American, known as the Northeast Alliance, in an effort to win approval from the Justice Department. JetBlue also said it would pay Spirit a \$200 million fee if antitrust regulators blocked the deal.

Spirit's leadership responded in a letter to JetBlue's chief executive on Monday, saying they did not think that the updated offer had a reasonable chance of suc-

### Standing by its earlier plan to partner with Frontier Airlines.

ceeding. Regulators, Spirit said, were likely to be "very concerned" with the prospect that JetBlue's offer would result in higher costs, and subsequently higher fares for consumers. Spirit said converting its planes, which are densely packed with seats, to JetBlue's roomier configuration would result in higher prices, for example.

JetBlue said in response that both its offer and the Frontier deal shared "a similar regulatory profile," but that Frontier had not offered to divest assets or pay a breakup fee. JetBlue also said the value of Frontier's cash-and-stock deal had faded because of that airline's falling stock price.

"Spirit shareholders would be better off with the certainty of our substantial cash premium, regula-

tory commitments and reverse breakup fee protection," JetBlue's chief executive, Robin Hayes, said in a statement on Monday.

JetBlue also accused Spirit of failing to grant it sufficient access to data about the low-cost carrier's business while requesting "unprecedented commitments" from JetBlue.

For JetBlue, the American partnership and the Spirit offer are opportunities to accelerate a planned expansion. JetBlue, which has long maintained a big presence at New York's Kennedy International Airport, has been limited by gate availability at the region's busy airports. In their partnership, JetBlue and American have agreed to sell each other's flights, establish links between their frequent-flyer programs and pool takeoff and landing slots. It also allows JetBlue, which primarily flies within the United States, to sell more international tickets on American's planes.

A trial in the Justice Department's case against the alliance is scheduled for late September.

Representatives from American and Frontier declined to comment on Monday's developments, but Stephen Johnson, a top American executive, said on a call with investor analysts and reporters last month that a JetBlue-Spirit deal would have no effect on the Northeast Alliance.

"It's not going to change one bit the value that we create for consumers in New York and Boston," he said.

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PUBLIC NOTICE

To the Taliban and De Afghanistan Bank

In the United States District Court for the Southern District of New York, Case Nos. 03-MD-1570-GBD-SN, 03-CV-9848-GBD-SN, and 20-MC-740-GBD-SN, Judgment Creditors Fiana Havelish et al. ("the Havish Creditors") and John Doe ("the Doe Creditors") have each filed a motion seeking a turnover of assets of De Afghanistan Bank (DAB) held in the Federal Reserve Bank of New York (FRBNY). The Havish Creditors seek these assets to satisfy the final judgment entered by the Court on October 16, 2012 against the Taliban, among others, in connection with the terrorist attacks of September 11, 2001. The Doe Creditors seek these assets to satisfy a final judgment entered in the Northern District of Texas on November 5, 2020 against the Taliban, among others, in connection with a terrorist attack in Kabul, Afghanistan on January 4, 2016. Pursuant to Federal Rule of Civil Procedure 69(c), N.Y.C. C.L.R. Sections 5225(b) and 5227, and Section 201(a) of the Terrorism Risk Insurance Act of 2002, the Havish Creditors' and the Doe Creditors' motions seek to compel FRBNY to turn over the blocked assets of DAB in amount sufficient to satisfy the outstanding amounts of their awards of compensatory damages as of the date the motions were filed, namely \$2,086,386,669 and \$138,418,741, respectively. This is a notice that the motions have been filed. The motion papers are available in both English and Pashto at the following website: [www.DABturnover.com](http://www.DABturnover.com).